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COPY NO 34

OFFICE OF CURRENT INTELLIGENCE

DAILY DIGEST OF SIGNIFICANT TRAFFIC

Date: _____MAR 24 1951

NOTE:

1. This summary of significant reports has been prepared for the internal use of the Office of Current Intelligence. It does not necessarily represent a complete coverage of all current traffic in CIA or in the Office of Current Intelligence.

2. Comment represents the preliminary views of the responsible analysts and not necessarily the final view of the Office of Current Intelligence.

- 3. Marginal letter indications are defined as fellews:
 - "A" items indicating Seviet-Communist intentions or capabilities
 - "B" important regional developments not necessarily related to Seviet/ Communist intentions or capabilities
 - "C" other information indicating trends and potential developments

Reviews completed by USAID, NAVY, ARMY, State, JCS, and USAF. Referral to DIA not required.

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SECTION 1 (SOVIET)

11 22 11 USSR. Moscow Propagandists Ignore Crucial Korean Situation. The volume of discussion of the Korean war remains at the low level which has prevailed since January. Emphasis has been placed on Soviet-Korean friendship, charges of US atrocities (including the alleged use of poison gas), and growing American opposition to the war. The fall of Secul was acknowledged only indirectly, and there has been no reference. to the 38th Parallel. Moscow does not discuss Chinese Communist participation in the Korean war, but there have been occasional news reports of Chinese willingness to discuss a peaceful settlement - without citing terms. There has been no explicit mention of the possibility of a negotiated settlement. COMMENT: Moscow is following the usual propaganda pattern characteristic 25X1 of periods in which Communist forces are being pushed back. Attention is drawn away from the Korean situation and focused on USSR "peace" efforts (especially at the preliminary CFM meetings), and US "aggressions". 11.4.11 EASTERN EUROPE. Increase in Satellite Military Strength. The March Imminence of Hostilities Conference of the US Military Forces in Europe has estimated that an analysis of all available factors does not point to any imminent hostilities involving the Soviet Union. The conferees concluded. however, that the continuing increases in the strength of the Satellite armies and the initial appearance of jet aircraft in a Satellite air force reveal that the offensive capabilities of the Soviet Satellites are becoming a significant factor in the East-West power alignment. Included among the more significant increases in Soviet/Satellite military strength in Europe were: (1) an increase of 30,000 in Soviet Ground Forces Germany between February 1950 and March 1951; (2) a probable increase in the Czechoslovak army from 116,000 to 160,000 during the next two monthe; (3) the addition of a tank division to the Hungarian 25X1 army, and (4) growth of the Rumanian army from 190,000 to 205,000. The conference noted that the reported arrival in Poland of 40 Soviet YAK-15 25X1 jet fighters marks the first appearance of Russian-made jets in any European Satellite air force. #B# Pursuit Planes Reported Over Tirana. ALBANIA

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pursuit planes of the "most modern type" were "in constantflight" over Tirana from 14 to 16 March.COMMENT: This is the first report that pursuit planes may be operating.from Albanian bases. In late Januaryreported the appearance for the first time of Soviet aviation officersin Tirana. Albania has no air force, but the Albanian Government hasexpressed its intent to take action against unauthorized flights overits territory. The appearance of pursuit planes in Albania may, there-fore, be the first indication that the nucleus of an air force is beingestablished.

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"A" <u>FINIAND.</u> <u>Favorable Prospects for Compromise Solution of Cabinet Crisis</u>. A meeting of various political and economic leaders was held 22 March for the purpose of working out a compromise solution to the rent increase problem. The US Embassy reports that the prospects are favorable for a compromise which would avert the Government's resignation. The Finnish press reports that as an upshot of the meeting the next plenary session of the Diet will be held 29 March at which a compromise bill will be presented. The press speculates that the bill would not be presented unless there were guarantees available for its passage.

и ди POLAND. Registration of All Inhabitants in Poland. Since approximately mid-Jenuary a registration of all inhabitants of Poland has been quietly in progress. According to a press statement the deadline for the final registration is 20 April. This registration followed by only six weeks the completion of Poland's first postwar national census. Simultaneously, but apparently independently of the registration, a renewal of all residence permit certificates has been under way. According to various Poles with whom the US Embassy discussed the registration, there is considerable alarmist speculation regarding the registration. Some of the reasons advanced by the Poles are: (1) The Ministry of Public Security needs full information on all inhabitants of Poland in order to classify them as to their "reliability" so that in case of trouble the Government will be able to move quickly against diversionists, saboteurs, and other Communist enemies: (2) the new registration certificates will be issued in three categories, circumscribing in varying degrees the holder's right to travel within Poland, with complete freedom of movement permitted in only rare cases; and (3) it is an effort to uncover and eliminate the remaining individuals, of which there are only a small number who still engage in COMMENT: There have currency speculation. been previous reports concerning the lists of unreliable individuals maintained by the Miaistry of Public Security which would tend to support the first reason advanced above. It was reported in February 51, but unconfirmed, that new pass bureaus were in process of establishment in Poland for the purpose of restricting travel within the country, as is suggested in the second reason advanced above. It is doubtful that the Government would go to the trouble of a national registration to eliminate the remaining currency speculators in Poland, as suggested in the third reason above.

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SECTION 3 (EASTERN)

"B" STRIA. New Cabinet Formed by Qudsi. Following a fifteen-day Government crisis in Syria, Prime Minister Nazim al-Qudsi on 23 March succeeded in forming a new Populist Party Cabinet. President Atassi has reportedly approved the list of new Cabinet members. COMMENT: There are no indications that the composition of the new Cabinet represents a gain in Populist strength sufficient to allow a continuation of Qudsi's one-party Governaceba. It is quite possible, therefore, that the reorganization of the Vabinet is merely a stop-gap measure, that unsolved issues are still outstanding, and that a coalition will eventually be formed as the only means to restore Government stability.

- "C" JNDLA Nehru Emissary to Peking. Shoab Qureshi, Fakistani Ambassadore to Kencow, has reported chance meeting with Dr. Atal (Indian representative at the recent Berlin World Peace Council), first in Stockholm in early March and Later as fellow passengers on Qureshi's return flight to Moscow. Qureshi, on the basis of several observations which led him to believe that Atal was close to Nehru and was given special consideration by the Soviets and Chinese Communists, concluded that Nehru has sent Atal on a confidential mission to Peking. COMMENT: Dr. Atal is a prominent Communist
 - physician in New Delhi and is reported to have requested Nehru to send a midical mission to North Korea in which he world be included. Ambassador Qureshi's conclusion is probably correct and world indicate that Prime Minister Nehur is continuing to carry on provate level diplomacy.
 - "C" AUSTRALIA. Election Climate. Both parties are feverishly preparing for the coming election. The Liberal-Country Party is confidently centering its campaign on plans to solve industrial disputes and oppose communism. The Labor Party, which is 'orn by strife and lacks both leadership and funds, is basing its appeal on the rising cost of living.

COMMENT: Major policy speeches, which will more clearly define the issues, are scheduled to be made by former Frime Minister Chifley (Labor) on 28 March and Menzies on 3 April.

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11 A II INCOCHINA. Increased interception of sea-borne traffic along Annam coast. 15 Naval Attache, Saigon, reports that during the period 8-20 March some 37 junks were either intercepted or destroyed by French naval patrols at various points near Annam coast. The junks were transporting munitions, food, medical supplies, and Viet Minh troops. Interogation of prisoners indicated junks to be en route from Hainan and that the troops were returning from Chinese training centers. The NA believes the increased number of interceptions is due both to Viet Minh efforts to build up logistic support in order to launch a general offensive and to more effective patrolling by the French Navy by reason of its present capability to coordinate surface and air patrols. COMMENT: This report indicates that, although the use of Hainan as a Sino-Viet Minh contact point has decreased in recent months, the island continues to serve both as a logistic and as a training base.

nCii -PHILIPPINES. Possible Hik Anniversary Raids. The Philippine Military Intelligence Service believes that continuing military operations can prevent the Huks, now largely in bands of less than 40, from regrouping into units of more. than 100. Nevertheless, MIS believes the Huks will probably attempt to celebrate their ninth anniversary (29 March), but estimates that they cannot support largescale or coordinated raids. MIS states that low morale and lack of supplies have forced many Huks to surrender or hide their arms and revert to civilian life and concludes that Huk capabilities are limited to raiding out-Lying towns in groups of not more than 50, ambusing small Government patrols, carrying out assassinations, sabotage and / or arson. COMMENT: While it is doubtful that Government forces will be as successful as MIS indicates in preventing sizeable

Huk groups from re-forming, possible Hik anniversary raids --which have been well advertised--will probably be confined to weakly defended outlying areas.

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"C!!	Philippine Government May Soon Meet ECA Terms for
۱.,	US Aid. The ECA representative at Manila reports that.
	recommended refrom legislation is near passage by the
	Philippine Congress. He therefore recommends that, as soon
	as the legislation is enacted, the US should release
	interia aid funds and begin consideration of a FY 152
	economic assistance program.
	COMMENT: While enactment of minimum wage and tax
	Legislation will be definite. if long overdue, step
	toward improving social and fingerial conditions in the
	Philippine, effective implementation of these measures
	Will require more sustained effort than the Phillinine
	Government has exerted in enforcing previous limited
	reform legislation.

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	n <u>A</u> n	CHINA. Peiping Reportedly to ask Soviet aid if 38th Parallel is	25X1C
	25X1C	Crossed.	
25X1C	,	11 UN forces in Morea cross the 36th Parallel, the Chinese Communists mill invoke a secret Sino-Soviet agreement, signed in October 1950, and request the direct aid of Soviet troops.	25X1A
·	25X1A	rumors of this sort could be circulated purely to serve political ends, it is probable that some sort of Sino-Soviet agreement, con- cerned with the terms of Soviet support for the Chinese Communists' intervention in Korea last October, does in fact exist. It is also probable that the Chinese Communists attach sufficient importance to "boundary" aspects of the 38th Farallel to consider a UN crossing of that line sufficient reason to invoke such an agreement. In view of the substantial numbers of available Chinese Communist ground forces, however, it is believed that the form of possible Soviet intervention called for in such an agreement probably would be the provision of	25X1A
	nAu	"volunteer" air units rather than troops.	25X1
25X1	A.	Communist queries regarding the Korean war, is seeking Peiping's views on a proposed plan to reverse the trend of the Korean conflict.	1
		According to this alleged plan, which has not been adopted, the USSR, when it considers war inevitable, will intervene in Korean conflict with ground, sea and air forces in order to achieve air supremacy, cripple the UN fleet, and push UN forces into the sea (or,	25X1 .
		alternatively, attack Japan); Chinese Communist forces will land on Taiwan at the same time.	25X1 25X1
25X1	l	Although the Felping regime would presumably welcome a Soviet decision to come to its rescue in Korea, there is no reliable evidence of such a Soviet intention at this time.	25X1
25X1	•••• иСи	BURMA. Chinese intervention in Burma. the Chinese Communists have accumulated large stores of military supplies in Yunnan for Burmese Communist forces who are to carry out a planned intensification of guerrilla warfare in north Burma under the direction of Chu Chia-pi, Communist guerrilla leader. Troops of the Chinese Communists' Four-	25X1
		teenth Army are also reportedly prepared to join the Burmese Communists if necessary, although source believes that such a step will depend upon developments in Indochina, Embassy comments that this information is generally corroborated by other sources.	051/4
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"C" KOREA. North Korean probaganda relative to ROK aggressive intentions regarding North Korea has some basis in ROK documentation. US Ambassador Muccio advises that for some time in 1949 Rhee labored under the illusion that North Koreans "to a man" simply awaited a signal from him to rise and exterminate the Communists. Muccio feels that they undoubtedly thought of instigating uprisings which would warrant a movement northward. It is possible that some of this thinking may have been reflected in "secret archives" although it was never publicized in the face of repeated Muccio warnings against such a maneuver. Muccio adds that on Rhee's precipate departure from Secul last June a good part of his papers were left behind and were not there on his return. Rhee has offered to identify which documents quoted by the North Koreans are genuine.

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"B" <u>Rhee Favors Bombing Manchuria</u>. The ROK Foreign Minister, Col. Ben Limb, now in New York in conjunction with the UN meetings, on 20 March showed US representatives a cable he had received from Rhee, instructing him to make a formal request to the UN that the Unified Command be authorized to bomb strategic targets and troop centers in Manchuria for the purpose of eventually bringing the war in Korea to a conclusion. <u>CCHMENT</u>: Rhee's eagerness to unite Korea and his feeling that the UN has justified his position, leaves him extremely impatient with the UN's feeling of necessity that Korea be viewed in the light of the "overall" picture.

ⁿCⁿ JAPAN. Sebald Denies Japanese Reports of Big Loans. US Political Adviser Sebald on 23 March denied persistent Japanese press reports that the US is giving consideration to governmental loans to Japan at the conclusion of the peace treaty. These loans are sometimes rumored to total as much as two billion dollars. Sebald characterized as completely unrealistic, in terms of US capacity and essential Japanese needs, Japanese press speculation that US aid of considerable magnitude will be forthcoming. <u>COMMENT:</u> If Sebald's comments are given wide dissemination in Japan it should do a great deal to deflate the present press-created delusion that US aid will be considerable. Continued postponement of this deflation could react unfavorably against the US if the Japanese continue to create impractical economic plans as they are presently doing.

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SECTION 3 (WESTERN)

- nBu WESTERN EUROPE. Reaction to Schuman Plan Initialling. US representatives in Bonn feel that the West German response to the initialling of the Schuman Plan treaty has thus far been "gratifying", the chorus of approval from most quarters drowning the dissonances from the Social Democratic Party (SPD), the Ruhr industrialist diehards, and the ultra-nationalists. Newspapers typically headlined the news: "A Great Step Forward." In a radio speech, Hallstein, the German negotiator, made a detailed refutation of the standard opposition criticism that Germany will be an inferior partner. In Belgium, public reaction to the initialing of the Plan was apathetic, but industry leaders, especially of the coal industry, remain opposed. Official circles will continue to support the Plan, and present prospects are that Belgium will sign and ratify it. Meanwhile, according to their US lawyers, certain French cartel leaders intend to go to the US to obtain business support in fighting the Plan in its present form. <u>COMMENT</u>: It is noteworthy that no reaction is reported for the west German Free Democrats, who are members of the Cabinet and who have been opposed to the Plan. In both France and Belgium, industrialists will continue their opposition to the Flan.
 - "B" GERMANY, Socialist Campaign Against the Schuman Plan, US liaison officers in Bonn believe that west German Socialist (SPD) leader Schumacher's chances of blocking Bundestag ratification of the Schuman Plan are "not good." They feel that only by causing the defection of some Christian Democratic labor deputies could Schumacher succeed. Furthermore, US representatives are not even certain whether the SPD leader wants to defeat the Schuman Plan, or whether he merely wants to enhance his position through demagogic opposition. In any case, our representatives anticipate a "noisy" SPD campaign against the Plan, in which Schumacher will contend that it is a successful French effort to establish hegemony over European heavy industry by preventing German equality, and the US will be depicted as the dupe of French industrialists. COMMENT: Schumacher could also defeat ratification of the Plan by getting the coalition Free Democrats (representing the Rhur interests) to vote with the SPD. It is by no means certain, however, that the Free Democrats will elect to do so.

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<u>West German Neutralist Groups Hold Joint Congress.</u> The first major attempt to merge the numerous neutralist, anti-rearmament, and nationalist splinter parties and groups in west Germany took place during the past week in Frankfurt. Nearly all such groups were represented at the meeting, which was held on the initiative of Wolf Schenke, leader of the Third Front organization, who insisted the Congress must exclude all elements favoring either the West or East. Most of the nationalist-

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rightist elements (about one-third of the delegates) left the meeting when their proposed anti-Bolshevist plank was rejected; they agreed, however, to continue coordination of their anti-rearmament efforts with the rest of the Congress. The meeting adopted a tentative resolution supporting a neutralized, unified Germany. Two or three observers for the west and east German Communist Parties were present, and the US High Commission states that, despite their backseat position, there is little doubt that the USSR is behind the movement. <u>COMMENT</u>: None of the neutralist and rightist groups has produced exists that, merged under strong leadership, they might thrive on the widespread sentiment for unification and neutrality and create a serious obstacle to German integration into the West.

ngn FRANCE, Government's Proposed Wage Increase Termed Inadequate by Labor. Although the French Cabinet has decided to increase the minimum wage for private industry an average of 14% effective 1 April, the leaders of all three national labor federations - the Communist, the Socialist and the Catholic - termed the proposal inadequate and requested a continuation of the railway strike. An all day Cabinet session was required for the Government's decision, with the Socialist arguments for a substantial wage increase opposed by the conservative members of the Cabinet with an eye to its effect on the budget. The next step will be Cabinet discussion of the implications of the wage decision for employees of nationalized and Government industry. COMMENT: Labor unity of action is continuing, for the present, Largely because the Government accepts the validity of labor's economic grievances and was failed to implement its counter-measures. Rejection of the Government's decision by Socialist (FO) and Catholic (GFTC) labor leaders is almost a complete reversal of their attitude on 22 March when the FO desired wage boosts of 9 per cent and the CFTC 12 to 16 per cent.

"A" <u>ITALY.</u> <u>Communists Act to Overcome Internal Party Difficulties.</u> The speech delivered by Alberganti, secretary of the Milan federation, at the provincial congress of the Italian Communist Party (PCI) in that city, reveals that the Party is still hopeful of exploiting the middle classes in its efforts to topple the present government and impede Italian rearmament and, at the same time, is seeking to eliminate social democracy in the trade union movement. PCI leader Togliatti has offered his Party's support to any government that will reverse Italy's present policy of Western alignment and has even declared that the PCI would fight to defend Italy against aggression.

Alberganti and Togliatti speeches reflect efforts of the PCI leadership to counteract the mounting disillusionment and discontent within Party ranks by making a nationalistic appeal for support of the Communist

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"peace" campaign. Prospects for Communist success in this direction are poor. Although the majority of the population still harbors neutralist sentiments, there is growing support for NATO and increasing distrust of Communist "peace" protestations.

"B" <u>VATICAN</u>, <u>Apostolic Muncie to West Germany Appointed</u>. The Holy See has appointed Monsignor Aloysius J. Muench, Archbishop of Fargo, North Dakota, as Apostolic Nuncie to the Bonn Government, following a formal request to US authorities that resumption of diplomatic relations with the Vatican be permitted. Archbishop <u>Muench has been Regent of the Apostolic</u> <u>Munciature in Germany since 1949</u>.

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- <u>COMMENT:</u> Appointment of a full Muncio is in line with the Vatican's strong desire for the reemergence of Germany as an anti-Communist force and economic prop for Western Europe. Vatican leaders maintain close ties with the Catholic-oriented Governments of both West Germany and Italy, and the Vatican will undoubtedly urge Italian Fremier De Gasperi to replace the head of the Italian Mission at Bonn with a full Ambassador to the West German Republic.
- "B" <u>UNITED KINGDOM</u>, <u>UK Trying to Nail Down South African Promise of Troops</u> for Middle East. The Foreign Office has asked US Embassy London what action is likely to be taken, and how soon, on a pending South African request to the US for equipment for one armored division to be used in Middle East defense on the outbreak of war. Since the troop commitment was made contingent on obtaining the necessary materiel, the UK is extremely anxious that these needs be filled as quickly as possible lest South Africa find some excuse for changing its mind. It is also pointed out that Australia and New Zealand have agreed to supply troops for Middle East defense in event of war, and that Commonwealth defense talks on the Middle East are scheduled for May or June.

<u>COMMENT:</u> British concern is understandable, in general because of their interest in furthering Commonwealth defense cooperation, and specifically because the South African decision to make this conditional contribution to Middle East defense was reached over 18 months ago and represented a marked break with the generally isolationist traditions of Prime Minister Malan's Nationalist Party. Although this policy reversal was motivated by anti-Communist rather than pro-Commonwealth feelings, the British may well fear that the recent increase in Malan Government irritation at the UK on other issues (See OCI Daily Digest, 24 Feb and 7 Mar 51) might cause the troop commitment to be reconsidered.

"C" <u>IRELAND</u>, <u>MacBride Statement Designed to Squelch Talk of NATO Participation</u>, External Affairs Minister MacBride stated on 23 March, immediately following previously unscheduled call on President Truman on 23 March that "no new kind of organization, and no revision of the Atlantic Treaty Organization whereby the objections of Ireland would be removed, was imminent." <u>COMMENT</u>; The issuance of this statement

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is probably to be explained by Irish Party politics. Despite occasional evidences of concern about the country's defenseless condition, the Irish Government has consistently maintained that adherence to a treaty guaranteeing the territorial integrity of the UK (and thus the partition of Ireland) is impossible. Since anti-partition agitation continues to be the leading stock in trade of MacBride and various other political leaders and since departure from Ireland's present neutrality policy would in any case be a controversial issue, MacBride's remarks seen designed to quench what talk there has been in Ireland of entering Western collective security arrangements through a side door.

- 11Bu IATIN AMERICA. International Communist Labor Objectives for 1951. Information now available states that the Confederación de Trabajadores de la America Latina vill adopt a program for 1951 based upon agreemonts reached at the WFTU meeting in Bucharest in December 1950. This program involves close cooperation with the various peace movements, with emphasis on "neutrality" and the formation of various mational "anti-imperialist fronts" which are to abstain from pro-Communist and pro-Soviet statements and from political activity while concentrating on anti-Americanism. In addition, the program includes various routine objectives such as the formation of a single over-all labor confederation under CTAL control in each country, the incorporation of new affiliates, the regularization of contributions, and the advancement of living 25X1A standards. COMMENT: Evidence from certain Latin American countries suggests that a program such as the above has been adopted. Communist labor groups, as such, have neither abandoned political activity nor repressed their sympathy for the USSR.
 - However they have, in some cases, specifically undertaken to encourage covertly the development, and, non-Communists (and even anti-Communists), of sentiments in favor of "peace", "neutrality", and "anti-imperialism", "C" FERM Permutan Delegation Magnetication of Development

C" <u>PERU.</u> <u>Peruvian Delegation Unenthusiastic on Departure for the Inter-</u> <u>American Meeting</u>. Peruvian President Odria stated on 22 March that Peru's expected failure to get three destroyer escorts would be still another indication of US disinclination to help Peru, and that the Peruvian delegation to the Inter-American Meeting of Foreign Ministers departed on 21 March in a pessindstic frame of mind. <u>COMMENT:</u> Odria's attitude that Peru's chief Interest in the Inter-American Meeting is the protection of its own position, military and economic, is generally typical of the frame of mind of the Latin-American delegations.

"C" BOLIVIA, Firmer Position at Inter-American Meeting Indicated, Foreign Minister Arce's statements regarding Bolivia's position at the Inter-American Meeting of Foreign Ministers indicates that the Bolivian delegation may be more firm in its demands for economic assistance as a result of the US temporary suspension of tin purchases. In a statement published

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upon his departure for Washington, the Foreign Minister said that 1) in the absence of a new tin contract, the "Bolivian Government's hands ere free;" 2) a new contract will be negotiated with political as well as commercial considerations in mind; and 3) the Bolivian Government, having cooperated loyally during the present emergency, is "confident" that it will receive effective collaboration in economic and industrial development, which will assist its "defense of presently endangered democratic principles." <u>COMMENT:</u> Bolivia has regarded US suspension of the purchases as highly arbitrary and as reneging on US efforts to encourage Bolivia to increase tin production. A new tin contract is under negotiation.

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24 March 1951

DEPUTY FOREIGN MUMISTERS CONFERENCE

"A" Deputies' Meeting Approaches Gritical Stage. During an informal discussion 22 March with the Western delegates, Soviet delegate Gromyko plainly indicated that his present instructions were definite on the necessity of including the German demilitarization point as a separate agenda item and of emphasizing the reduction of armaments question. The Western delegates clearly rejected the Soviet position on both of these items. Gromyko for the first time indicated that German demilitarization might not require primary consideration and frequently inquired whether the West had any new proposals to make. Although Gromyko received a negative answer, the US delegate reports that both the British and French hinted at a possible new formila on the German demilitarization item. The US delegate believes that Gromyko has not said his final word but is holding fast in the expectation of some concessions.

Subsequently a tripartite <u>modus</u> <u>vivendi</u> was reached to present no new formula and to give Gromyko an opportunity to make a new proposal on German demilitarization at the restricted session on 23 March. However, both the British and French delegates continue to believe it necessary to arrive at a formula on German demilitarization which in their opinion would be more acceptable to Gromyko.

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At the 23 March session Gromyko suggested the possibility of Western acceptance as a separate agenda point of the main Soviet proposal, "fulfillment by the four powers of the Potsdam agreement re demilitarization of Germany", in return for Soviet acceptance of the first Western agenda point on examination of causes of tension in Europe. All three Western delegates clearly rejected the wording of the demilitarization items and its inclusion as a separate point. The US delegate points out that Gromyko, by indicating willingness to accept the first Western agenda point, appeared ready to drop his proposal on reduction of the armed forces of the four powers.

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SECTION 2 (EASTERN)

"A" TURKEY. The Straits Issue. As a result of recent press reports that the USSR might raise the Straits issue at the Big Four Conference in Paris, Turkey has requested of the US Government that no Turkish question be discussed by the Big Four without Turkish consent or participation. The Department of State has instructed Jessup in Paris to make every endeavor to avoid inclusion of the Straits issue on the agenda. If this should not prove feasible then the Turks should be consulted in advance if at all possible.

COMMENT: Turkey has long feared that the USSR might find it convenient to attack the present convention governing control of the Black Sea entrance and exit. Whenever the Straits issue is mentioned privately or publicly, Turkish reaction is automatic. 25X1

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